

COMPLYING WITH THE SINGLE AUDIT REPORT

The Single Audit Act and Office of Management and Budget (OMB) Circular A-133, ***Audits of State, Local Governments, and non-profit Organizations***, requires entities that expend equal to or in excess of \$500,000 in a fiscal year to have an audit performed in accordance with the Single Audit Act.

To be considered for funding from the California Energy Commission entities must be in compliance with the Single Audit Act.

CALIFORNIA ENERGY COMMISSION APPLICATION PROCESS

Please submit your signed Letter of Intent to:

California Energy Commission
Attn: EECBG Program
1516 Ninth Street, MS-42
Sacramento, CA 95814

Please email any questions regarding the California Energy Commission's process to [\[eecbg@energy.state.ca.us\]](mailto:eecbg@energy.state.ca.us).

Before submitting your application for funding award to the California Energy Commission please be sure that you are in compliance with the **Single Audit Act** and cleared with the State Controller's Office. The California Energy Commission will verify your status at the time of application with the SCO to determine your eligibility.

SINGLE AUDIT REQUIREMENTS

1. If the entity *expends less than* \$500,000 in federal funds, they are required to submit an Exemption Notification Letter to the SCO.
2. If the entity expends over \$500,000 in federal funds, but doesn't include any state pass-through funds, the entity may submit the audit report or an explanation letter to the SCO. The SCO will issue a "No Review Letter" to the entity in return.
3. If the entity expends over \$500,000 in federal funds and that amount includes any amount of State pass through funds, then the SCO requires a complete Single Audit Reporting Package* be submitted to them for review. Reports are reviewed on a first in first out basis.

* A complete Single Audit Reporting Package consists of the required report parts listed in Attachment A of this notice.

Please mail Single Audit submissions to:

State Controller's Office
Division of Audits
Financial Audits Bureau/Single Audits Unit
P.O. Box 942850
Sacramento, CA 94250-5874

The single audit reports are due the earlier of 30 days after receipt of the audit or nine months after the end of your fiscal year (i.e. March 31, 2009).

WHAT TO EXPECT FROM THE STATE CONTROLLER'S OFFICE

After completion of the SCO's desk review the entity will receive one of two letters from the SCO.

- **Single Audit Certification Letter** - If the SCO determines that the report meets the requirements set forth by OMB Circular A-133 then a Single Audit Certification Letter is mailed to the entity.
- **Single Audit Rejection Letter** - If the SCO determines that the report did not meet the requirements set forth by OMB Circular A-133 because exceptions were noted then a Single Audit Rejection Letter listing the exceptions is mailed to the CPA who performed the single audit requesting they correct the exceptions and submit a revised report or revision to the SCO. A courtesy copy of the rejection letter is mailed to the entity. Once the revision is received and the report is accepted the SCO will mail the Single Audit Certification Letter to the entity.

Note that all letters and correspondences mailed from the SCO are addressed to the Auditor-Controller, Finance Director or Special District. Please check with these officials or the finance department at your agency for a copy of these letters before contacting the SCO for a replacement copy. Direct all single audit inquiries via email to singleaudits@sco.ca.gov or by phone at (916) 324-6442.

ATTACHMENT A
SUMMARY OF REQUIRED REPORT PARTS

The single audit reporting package is a collection of several documents. A complete single audit reporting package includes up to eight key parts. All applicable parts must be submitted before the State Controller's Office can process the reporting package. These parts are:

1. Independent Auditor's Report
2. Basic Financial Statements
3. Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*
4. Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133
5. Schedule of Expenditures of Federal Awards
6. Schedule of Findings and Questioned Costs
7. Summary Schedule of Prior Audit Findings (If no findings were identified then state "No Findings")
8. Corrective Action Plan
9. Report to Management (Management Letter)

*only required if issued by CPA

The Comprehensive Annual Financial Report (or if applicable, financial statement report) is required. If the Comprehensive Annual Financial Report and single audit report are separate reports, then both reports must be submitted to the State Controller's Office. If both reports are not submitted, the single audit reporting package will be considered incomplete.

Only one complete single audit reporting package is required. Entities are no longer required to submit a single audit reporting package for each pass through entity. Report packages may be submitted to the SCO on a CD, providing the report is in a PDF file format and includes the independent auditor's electronic signature.